

December 2007 compared to December 2006 saw the:

- Loss of 1,500 jobs in the computer and electronic products manufacturing, primarily due to the layoffs at Micron Technology in Boise.
- Loss of 1,200 in construction as residential building ground to a halt.
- Addition of 3,100 jobs in retail trade with the expansion of national chain general merchandise stores across the state, especially in southwestern Idaho.
- Addition of 2,900 jobs in administrative and support services, accommodating growth in employment services and services to building and dwellings.
- Addition of 2,900 jobs in local government as population growth fueled demand for more schools.
- Addition of 2,600 jobs in health care and social services driven by 2,200 more jobs in hospitals.
- Addition of 2,200 jobs at hotels and restaurants and another 400 in recreation to meet rising demand in tourism and business travel.

NONFARM PAYROLL JOBS IN 2007

On average in 2007, nonfarm payroll jobs were up over 17,000 from 2006. However, the growth rate slowed to 2.7 percent from the 4.4 percent growth between 2005 and 2006. The March issue of Idaho Employment will have a feature article on the details of the nonfarm job changes in 2007, relying on benchmarked figures being released in the coming weeks.

The state development table above provides a glimpse of the changes in the number of jobs over the past five years. The revised data to be released in March will not change that information substantially.

For state data, see the tables starting on page 21.

Idaho Table 2: Annual Average Nonfarm Payroll Jobs, 2003-2007

	2003	2004	2005	2006	2007*
Nonfarm Payroll Jobs	572,253	588,067	611,704	638,896	656,081
Numeric Change	4,050	15,814	23,637	27,192	17,185
Percent Change	0.7	2.8	4.0	4.4	2.7

* Preliminary

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Benewah, Bonner, Boundary, Kootenai & Shoshone counties

EMPLOYMENT TRENDS

The Coeur d'Alene metropolitan area's seasonally adjusted unemployment rate rose three-tenths of a percent to 3.5 percent in December as harsh winter weather reduced employment in construction, the lumber industry continued to downsize and less-than-optimistic retailers curbed holiday hiring. Despite the month-to-month uptick, the rate remained below the 3.8 percent in December 2006.

Except for Benewah County, the rest of the Panhandle also had lower unemployment rates in December than the year before. See PR Table 1 for details. Benewah County's unemployment rate ballooned to 8 percent in December as temporary layoffs hit logging and the forest products industry.

PR Table 1: Unemployment Rates—Panhandle Counties

County	Dec. 2007	Nov. 2007	Dec. 2006
Benewah	8.0%	5.7%	6.8%
Bonner	3.7%	3.3%	4.6%
Boundary	6.8%	6.1%	8.3%
Shoshone	6.0%	5.2%	7.3%

With more and more economists believing the United States has already entered a recession or soon will, unemployment rates are not likely to remain at the historically low levels the Panhandle has been experiencing. However, it is unlikely that the Panhandle will suffer as much from an economic slowdown as the rest of the nation because:

- **The Panhandle already is experiencing the worst that recession usually brings.** When the U.S. enters a recession, the biggest blow to the Panhandle economy normally comes with a fall in U.S. housing starts that curtails logging and mill employment. But the forest products industry already has endured 18 months of low demand so it is not likely to experience significantly more job losses.
- **Other manufacturers may generate enough jobs to offset most of the wood products job losses.** The Panhandle's manufacturing industry has been bucking the downward trend of U.S. manufacturing for several years. While U.S. manufacturing employment fell 19 percent between the third quarters of 2001 and 2007, Panhandle manufacturing employment grew 22 percent in the same period. Several manufacturers in the Panhandle expect to add jobs during the next year. They include Berg Integrated Systems in Plummer, Ground Force Manufacturing in Post Falls, Unicep Packaging and Quest Aircraft in Sandpoint and Biopol, which will move from Spokane to Post Falls early next year. The current low value of the dollar is making it easier for local manufacturers to sell their products abroad. However, those who sell mostly in the United States may see their customers cutting back during a recession.
- **Tourism is likely to keep adding jobs.** Momentum, the addition of new attractions and a declining dollar should bring even more tourists to the Panhandle in 2008 and 2009. This summer Silverwood Theme Park will open a roller coaster nearly twice as high as its other roller coasters. The casinos operated by the Coeur d'Alene and Kootenai tribes remain popular. Schweitzer Mountain Resort near Sandpoint and Silver Mountain Resort in Kellogg have received considerable national attention during the last couple of years. This spring, Silver Mountain will open an indoor water park and begin building an 18-hole golf course near its gondola base. The Trail of the Hiawatha, the Trail of the Coeur d'Alenes and the International Selkirk Loop also have received national attention. The low value of the dollar is luring a record number of Canadians into the Panhandle to shop and play and should attract much larger groups of Europeans and other international travelers this summer than usual.
- **High prices for wheat and other agricultural products will benefit local farmers, which should boost their spending, especially in Boundary and Benewah counties.**
- **The mining industry will add jobs.** Shoshone County is expected to continue adding jobs in the mining industry as silver prices remain high. The

average wage of a Shoshone County miner in 2006 was \$57,000 so an increase in mining activity has a large impact on incomes and spending.

- **Continued population growth will boost retail and services.** Retirees probably will continue to move into the Panhandle in record numbers. Sometimes, a recession actually increases the flow of retirees, since many people may decide to take early retirement offers made by firms during recessions.

AREA DEVELOPMENTS

WHO ARE THE SHAKERS AND MOVERS?

Who are the largest employers in the Panhandle? What kind of industries are they in? Answers can be found in the five tables within this article showing the largest employers based on average monthly employment in each county.

Benewah County's 12 Largest Employers

Employer	Industrial Description	Emp. Range
Coeur d'Alene Indian Tribe *	Tribal government	500-599
Potlatch Corporation	Manufacturer, wood products	300-399
Jack A. Buell Trucking	Trucking firm	150-199
St. Maries Joint School District	Public schools	150-199
Valley Vista Care	Nursing home	150-199
Benewah Community Hospital	Hospital	100-149
Plummer-Worley School District	Public schools	100-149
Regulus Stud Mill	Manufacturer, wood products	100-149
Archies IGA	Grocery store	50-99
Benewah County Government	County government	50-99
Federal Government	Federal government	50-99
Stimson Lumber	Manufacturer, wood products	50-99

* Including headquarters, retail operations, the Berg Integrated Systems manufacturing plant, farm, school and Benewah Medical & Wellness Center in Plummer. The Coeur d'Alene Tribe also has 900-plus employees in Worley, in Kootenai County.

BONNER COUNTY

- Coldwater Creek, the Sandpoint-based national retailer, announced in January that it was eliminating 65 jobs nationwide, including 51 at its corporate headquarters and six at its customer service center in Coeur d'Alene.
- Coldwater has experienced a precipitate drop in revenues as American consumers have retrenched in recent months. Coldwater, which sells apparel through

catalogs and the Internet, also owns 336 women's clothing stores nationwide and expects to open another 50 this year. In addition to the layoffs, which will save \$6 million, Coldwater plans to cut costs by advertising more selectively and reducing inventory by offering fewer sizes and colors. Before the layoff, Coldwater Creek employed about 600 people in the Sandpoint area, 350 in Coeur d'Alene and 10,000 nationwide.

- With U.S. housing starts near record low levels, lumber prices remain very low and have been taking a toll for a year and a half, causing layoffs and intermittent shutdowns at many mills. In January, Stimson Lumber permanently laid off another 22 people in Priest River after cutting the payroll from 115 to 70 in late 2005. Stimson saw no sign of improvement in the lumber market. Riley Creek Lumber Co. in Laclede also laid off workers temporarily in January while waiting for the market to improve.

Bonner County's 20 Largest Employers

Employer	Industrial Description	Emp. Range
Lake Pend Oreille School District #8	Public schools	600-699
Coldwater Creek	National retailer	500-599
Bonner County Government	County government	300-399
Bonner General Hospital	Hospital	300-399
Litehouse	Manufacturer, salad dressings	300-399
Wal-Mart	Retail, general	300-399
Federal Government	Including Forest Service	200-299
J D Lumber Co.	Lumber & wood products	200-299
Schweitzer Mountain Resort	Ski area & recreation	200-299
West Bonner County School District	Public schools	200-299
Life Care Center of Sandpoint	Nursing home	150-199
Quest Aircraft	Manufacturer, airplanes	100-149
Riley Creek Lumber Co.	Lumber & wood products	150-199
City of Sandpoint	City government	100-149
Encoder Products	Manufacturer, electronics	100-149
Home Depot	Building materials store	100-149
Stimson Lumber	Lumber & wood products	100-149
Thorne Research Inc.	Manufacturer, nutritional supplements	100-149
Unicep Packaging	Manufacturer, microdose applicators	100-149
Yoke's Pack 'n Save	Grocery store	100-149

KOOTENAI COUNTY

- Silverwood Theme Park keeps getting better and better. This July, it plans to unveil a 191-foot \$4 million steel roller coaster almost twice as high as its next highest, Tremors. Silverwood has more than 65 rides and attractions.
- The Idaho Small Business Development Center at North Idaho College's Workforce Training Center in Post Falls helps small businesses throughout the Panhandle with no-cost business coaching and low-cost business training. The center helped Bullet Tools in Hayden create its first business plan and obtain initial financing in 1998. The company, which makes tools for the flooring industry, ran into problems in 2006, but the center provided business coaching and helped the owners develop a business strategy. In addition, Center Regional Director Bill Jhung suggested that the owners attend a 10-week workshop

Kootenai County's 20 Largest Employers

Employer	Industrial Description	Emp. Range
Kootenai Health	Hospital	1,700-1,799
Coeur d'Alene School District	Public schools	1,300-1,399
Coeur d'Alene Resort	Lodging	1,100-1,199
Center Partners	Customer service centers	900-999
North Idaho College	Community college	900-999
Coeur d'Alene Casino	Amusement & recreation	800-899
Kootenai County Government	County government	700-799
Federal Government	Including Forest Service & postal	600-699
Post Falls School District	Public schools	600-699
Lakeland School District	Public schools	500-599
Wal-Mart	General merchandise store	500-599
Kimball Office	Manufacturer, furniture	400-499
Silverwood	Theme park	400-499
Cabela's	Retail store	300-399
City of Coeur d'Alene	City government	300-399
Coldwater Creek	Mail order catalog call center	300-399
Esterline Advanced Input Systems	Manufacturer, electronics	300-399
U.S. Bank	Bank & national customer service center	300-399
Verizon Northwest	Communications	300-399
Buck Knives	Manufacturer, knives	200-299

on entrepreneurial leadership. After the coaching and workshop, Bullet Tools' owners were able to focus on areas of the business that needed improvement. They subsequently streamlined their operations and reduced inventory. By the end of 2007, Bullet Tools had generated a 30 percent increase in revenue and gained 30 percent excess warehouse capacity, all with 25 percent less staff. The company's goal is to reach \$5 million in sales by 2010.

- Lakeland High School in Rathdrum, in partnership with the Coeur d'Alene Resort, is running The Resort Academy, a two-year course for high school students interested in careers in the hospitality industry. Each week, students get three days of classroom instruction at both the school and the resort and then spend the other two days rotating among the resort's departments including food preparation, banquet services, front desk, reservations, housekeeping, the spa and laundry. Students who complete the first year will receive three college credits, and those who complete the second year will receive an additional nine credits. The second year will include exposure to advertising, sales, marketing and accounting.
- Pilgrim's Natural Foods is expanding from 8,000 square feet to 19,000 square feet in Coeur d'Alene by taking over the space used by Liquidation World next door. The expansion will boost payroll to more than 50.
- The Rex electronics and appliance store in front of

Coeur d'Alene's Silver Lake Mall closed Jan. 17. According to the store's manager, when the store opened in 1998, Sears was its only competitor, but its competition has grown too quickly. About five people worked there.

SHOSHONE COUNTY

- The national spotlight was again on the Silver Valley Jan. 18 when the New York Times ran a travel feature about Kellogg headlined "A Mining Town with a Bleak Past Starts to Blossom." "A wave of outdoor-oriented second-home buyers is making over the once woebe-gone Silver Valley, which straddles Idaho's Panhandle. Kellogg is reinventing itself as buildings are being renovated and condos and lofts built." It describes the Silver Mountain ski areas and gondola, the county's snowmobiling trails and the Trail of the Coeur d'Alenes. It adds, "The average price of homes sold in the Silver Valley has nearly tripled in the last five years from \$55,836 to \$152,054."
- Silver Mountain Resort hired 24 South Americans through a special work and travel program. The 12 Brazilians and 12 Peruvians arrived in Kellogg in early December, when the southern hemisphere's summer break began. Until mid-March, the students will work as housekeepers at the Morning Star Lodge, bartenders at Noah's Canteen and clerks at Moguls snack bar and the new video game arcade. The work and travel program helps foreign students experience North American culture and improve their English while working. This is the first time Silver Mountain

Shoshone County's 12 Largest Employers

Employer	Industrial Description	Emp. Range
Dave Smith Motors	Automobile dealership	300-399
Kellogg Joint School District	Public schools	200-299
Galena Mine (U.S. Silver Corp.)	Silver mine	150-199
Lucky Friday Mine (Hecla Mining)	Silver mine	150-199
Shoshone County Government	County government	150-199
Federal Government	Including Forest Service	100-199
Shoshone Medical Center	Hospital	100-149
Silver Mountain (Eaglecrest)	Ski resort & recreation	100-149
Sunshine Mine (Sterling Mining)	Silver mine	100-149
Wallace School District	Public schools	100-149
Wal-Mart	Retail store	100-149
Magnuson Hospitality	Lodging	50-99

Boundary County's 12 Largest Employers

Employer	Industrial Description	Emp. Range
Boundary County School District 101		200-299
Idaho Educational Services - UHS	Social & educational services	200-299
Kootenai River Inn & Casino	Tribal government, lodging & casino	200-299
Boundary Community Hospital	Hospital & nursing home	150-199
Federal Government	Incl. forest service & homeland security	150-199
Boundary County Government	County government	100-149
Elk Mountain Farms	Hops farm	100-149
Boundary Trading Co.	Grocery store	50-99
Clifty View Nursery	Ornamental tree nursery	50-99
Riley Creek Lumber	Manufacturer, wood products	50-99
TrussTek	Manufacturer, wood products	50-99
Welco of Idaho	Manufacturer, wood products	50-99

has used the program. If it works well, a group of students from Thailand will begin work in April.

- The University of Idaho's College of Engineering is exploring the viability of a Center for Industrial Training and Safety in the Silver Valley. A group of Silver Valley residents have formed an organization called Geologics to advocate for the center, which they believe has economic development potential. If established, the center would provide metallurgical certification for assayers, which is currently unavailable in the United States. It would also offer safety training for a variety of high-risk industries including hardrock mining. That program would complement a Mine Health and Safety Administration program on the East Coast for coal miners. The center would train about 25 people at a time for periods of three to 10 weeks, depending on the desired skills. Between sessions, the center could operate a K-12 science camp. The center would be a cooperative venture among the community, industry and university. The community would provide the site, the mining industry would

provide hands-on, on-site experience and mentoring and the university would provide the educators and courses with government grants financing the operation. The university has approved the proposed center and is awaiting legislative approval and authorization of federal grants. The rapidly growing mining industry wants a program to train new miners, who will be needed not only to man the industry's expansion amid strong metal prices but also to replace miners retiring over the next 10 years. Most of today's miners are in their 50s and 60s, and the downturn in silver mining that began in 1981 dissuaded younger workers from entering the industry.

- **See page 27 for Panhandle Idaho labor force and nonfarm jobs data table for December 2007.**

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Clearwater, Idaho, Latah, Lewis & Nez Perce counties

LABOR FORCE & EMPLOYMENT TRENDS

The Lewiston Metropolitan Statistical Area's seasonally adjusted unemployment rate in December increased two-tenths of a point from November to 4 percent, as shown in north central Idaho labor force table on page 28. In December 2006 the rate was 3.9 percent. The increase, a tenth less than the statewide increase, was due to a decrease in seasonal trade and service hiring for the Christmas season. Stores and restaurants took on fewer temporary workers last year, giving permanent workers more hours during the holidays. Nonfarm payroll jobs in December decreased by 170 from November. However, over the year the number of jobs increased with educational services and health care accounting for the majority.

AGRICULTURE PAYS OFF BIG

If farming is a gamble, it paid off big for Idaho in 2007. University of Idaho College of Agricultural and Life Sciences economists' estimated Idaho agriculture will collect record high cash receipts of \$5.6 billion in 2007.

That total reflects strong markets for beef, dairy, potatoes, wheat and nearly all of the state's other crops. Cash receipts rose 25 percent, or \$1.1 billion, from 2006. The high prices for livestock, milk and crops produced an even happier statistic for the state's agricultural producers — a 78 percent increase in net farm income. That means farm revenues, which rose 21 percent, outstripped even a 10 percent overall increase in expenses. The report also highlighted fundamental changes in Idaho agriculture, noting the seventh straight year that livestock revenues outpaced crop receipts. Livestock accounted for 57 percent of cash receipts in 2007. The state's rapidly growing dairy industry rose to the top, generating receipts of \$2.04 billion, a 59 percent increase from \$1.28 billion in 2006. Sales of beef cattle and calves generated another \$1.07 billion to carry the livestock sector to \$3.22 billion for the year. Potato sales of \$721 million, an all-time high, led crop receipts. Wheat sales totaled \$511 million. Together the two crops accounted for more than half of the crop sector's receipts. According to the report, high prices for fuel, fertilizer and

Panhandle Data — December 2007

Coeur d'Alene MSA Labor Force & Employment — Kootenai County

	Dec 2007*	Nov 2007	Dec 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	72,190	70,780	69,690	2.0	3.6
Unemployed	2,550	2,290	2,660	11.4	-4.1
% of Labor Force Unemployed	3.5	3.2	3.8		
Total Employment	69,640	68,490	67,030	1.7	3.9
<i>Unadjusted</i>					
Civilian Labor Force	71,730	71,030	69,960	1.0	2.5
Unemployed	2,470	1,980	2,880	24.7	-14.2
% of Labor Force Unemployed	3.4	2.8	4.1		
Total Employment	69,260	69,050	67,080	0.3	3.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	57,810	58,140	54,880	-0.6	5.3
<i>Goods-Producing Industries</i>	11,300	11,500	10,880	-1.7	3.9
Natural Resources & Mining	630	630	490	0.0	28.6
Construction	5,960	6,150	5,550	-3.1	7.4
Manufacturing	4,710	4,720	4,840	-0.2	-2.7
<i>Wood Product Manufacturing</i>	880	890	1,000	-1.1	-12.0
<i>Other Manufacturing</i>	3,830	3,830	3,840	0.0	-0.3
<i>Service-Providing Industries</i>	46,510	46,640	44,000	-0.3	5.7
Trade, Transportation, & Utilities	11,370	11,390	11,000	-0.2	3.4
<i>Wholesale Trade</i>	1,580	1,570	1,500	0.6	5.3
<i>Retail Trade</i>	8,630	8,640	8,370	-0.1	3.1
<i>Transportation, Warehousing & Utilities</i>	1,160	1,180	1,130	-1.7	2.7
Information	910	910	970	0.0	-6.2
Financial Activities	3,140	3,160	3,060	-0.6	2.6
Professional & Business Services	6,740	6,710	5,760	0.4	17.0
Educational & Health Services	5,690	5,660	5,470	0.5	4.0
Leisure & Hospitality	7,280	7,470	6,690	-2.5	8.8
Other Services	1,590	1,550	1,460	2.6	8.9
Government Education	3,730	3,720	3,720	0.3	0.3
Government Administration	5,140	5,150	5,130	-0.2	0.2
Government Tribes	920	920	740	0.0	24.3

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month